CATERPILLAR®

Caterpillar Inc.

Large Power Systems Division Mos 11, P.O. Box 600 Mossville, IL 61552-0600

Rob Cram Holt of California 7310 Pacific Avenue Pleasant Grove, CA 95668

RE: DPF Exemption; Caterpillar Motor Graders

June 30, 2008

Dear Rob,

When designing DPF installation and positioning options, it is Caterpillar's philosophy to meet and exceed operator safety standards and performance characteristics of the original machine, while providing increased emissions reductions to the affected engine arrangement.

Caterpillar's product demand for emissions solutions is increasing with frequent regulation implementation. Given limited engineering resources and other, higher priority, emissions reduction development projects, it would be cost prohibitive to transfer limited resources to the investigation of DPF solutions for the Caterpillar line of motor graders at this time.

Caterpillar models affected:

120, 135, 12, 140, 143, 160, 163, 14, 16, 24 (letter designations removed)

Regards,

Glenn M. Luksik

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CC; Johanna Levine, ARB